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AGRICULTURAL ADJUSTMENT ADMINISTRATION

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INSTRUCTIONS PERTAINING TO COTTON MARKETING QUOTAS FOR 1941. Department of Agriculture

PART VIII. SUMMARY OF GINNERS' AND BUYERS' RECORDS AND REPORTS

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PREFACE

It is the purpose of this summary to present an outline of the main provisions of the Regulations Pertaining to Cotton Marketing Quotas for the 1941-1942 Marketing Year (designated Cotton 507) as they relate to ginner and buyers and to explain the manner of executing certain of the forms prescribed therein. It is not possible within the limits of this summary to deal with every situation coming within the scope of the regulations or to discuss the execution of all forms provided for therein, and ginner and buyers should use this summary as a guide rather than a substitute for the regulations. The regulations are issued by virtue of the authority vested in the Secretary of Agriculture by Title III of the Agricultural Adjustment Act of 1938 (Public Law No. 430, 75th Congress, approved February 16, 1938, 52 Stat. 31, 7 U. S. C. 1301 et seq.), as amended, and Public Law 74, 77th Congress, approved May 26, 1941. Copies of the regulations and supplies of required forms will be furnished free to persons needing them, upon request made to the office of the county agricultural conservation committee in the county in which the ginner or buyer is situated.

A. RECORDS TO BE KEPT AND REPORTS TO BE SUBMITTED BY GINNERS

Section 801 Applicability of the regulations. Records and reports of ginner are required in connection with all cotton produced in the calendar year 1941, whether it is ginned prior to or subsequent to August 1, 1941. The records and reports also relate to cotton produced in 1940, or any prior year, which is ginned during the current season. The term "ginner," as used in the regulations, includes all persons who gin cotton as the term is ordinarily understood. A person who is a ginner may also be a cotton buyer or a cotton producer, or both. However, the records and reports required of him in his capacity as a ginner are separate and cannot be substituted for those required of him in his capacity as either a buyer or a producer.

Section 802 Form of the ginner's report for cotton ginned. Each ginner must make a record and report for all cotton which he gins. This report may be made in one of two ways, namely: First, on form Cotton 516; or Second, on copies of gin bale receipts or tickets (herein referred to as "gin tickets") which the ginner has had printed for use in his business and which have been approved by the Agricultural Adjustment Administration. Gin tickets which have not been approved by the Agricultural Adjustment Administration cannot be accepted as a report in lieu of form Cotton 516. The gin ticket illustrated in figures 1, 2, and 3 is a sample form for explanatory purposes only and is not to be considered as a standardized form. Form Cotton 516-A will be used as a transmittal and receipt for the gin tickets constituting the report.

Sec. 803 Form of the ginner's report for seed cotton. Each ginner must make a record and report for all seed cotton marketed by the producer and received by the ginner from the producer or from a buyer or transferee who acquired the cotton from the producer. This report may be made in one of two ways, namely: First, on form Cotton 526; or Second, on copies of gin tickets which have been approved by the Agricultural Adjustment Administration and which will be transmitted and receipted for on form Cotton 516-A.

Sec. 804 Time and place of submitting ginner's reports. The ginner's report must be made for each period beginning with the first day of each month through the fifteenth, and from the sixteenth day of each month through the last day of each month. All cotton ginned during the period and all seed cotton received by the ginner from producers or other persons during the period is to be included in the report. Each report is to be submitted to the treasurer of the county committee for the county in which the gin is situated not later than 5 days next succeeding the last day of the period covered by the report.

Sec. 805 Penalty for ginner failing to make a report or making a false report. The Act makes the failure to submit a ginner's report, or the submission of a false report, a misdemeanor punishable, upon conviction, by a fine of not more than \$500 for each offense. However, this is expressly declared to be in addition to, and not exclusive of, any of the remedies or penalties under existing law.

Sec. 806 General provisions relating to the preparation of the ginner's report. The responsibility for correctly preparing and submitting the reports rests upon the ginner. The ginner should nevertheless feel free to call upon the office of the county committee for information relating to the execution of any part of the report or the manner in which any particular facts are to be reported. The county office will in turn bring to the ginner's attention any details in which the report is incomplete or in error. The execution of the ginner's record and report (forms Cotton 516 or 516-A) for the various kinds of ginning is fully explained in instructions printed on the reverse sides of the forms and illustrations of the manner in which gin tickets shall be executed are shown in figures 1, 2, and 3 of this summary. The following instructions may assist the ginner in connection with entries in the report which are not fully discussed in the instructions printed on the forms:

1. The farm serial number. In each case the ginner must obtain from the producer the serial number assigned by the Agricultural Adjustment Administration for the purpose of identifying the farm on which the cotton was produced. If the cotton was produced on more than one farm, the serial number of each farm must be obtained. The farm serial number may be taken from the marketing card issued to the producer for the 1941-1942 marketing year. However, if the marketing card is used as the source of information and the producer has more than one farm, care should be exercised to determine on which of the farms the cotton was produced and whether the marketing card was issued for that farm. The farm serial number

must be entered in column A of form Cotton 516, or on the gin ticket, in each case where cotton is ginned by the producer and is not sold in the seed. If cotton was sold in the seed to a person other than the ginner, or if the ginner does not use a gin ticket in lieu of form Cotton 526, the farm serial number will be shown on form Cotton 526. If the producer does not know the farm serial number at the time of ginning, the ginner should obtain the location or description of the farm and enter this information on form Cotton 516 or the gin ticket. The failure of the ginner to obtain the farm serial number will not be excused, unless the farm is identified in some other manner or the failure to obtain it is justified by a report of facts showing that he was unable to obtain it after a reasonable effort.

2. Name of farm operator. In each case the ginner must obtain the name of the operator, as shown by the records of the Agricultural Adjustment Administration, of the farm on which the cotton was produced. If the cotton was produced on more than one farm, the name of the operator of each farm must be obtained. The name of the farm operator may be taken from the marketing card issued for the farm. Where the information is taken from the marketing card the ginner should first determine that the marketing card relates to the farm on which the cotton was produced and then enter in column C of form Cotton 516, or on the gin ticket, the name of the farm operator exactly as it appears on the marketing card. If cotton is not ginned in the name of the producer but is sold in the seed, the name of the farm operator will appear only on form Cotton 526 (see paragraph G of the instructions printed on the reverse side of form Cotton 516).

3. Name of producer, if other than the operator. In each case the ginner must obtain from the person who brings the cotton to the gin the name of the producer or producers, other than the operator or landlord, who are entitled to a share in the cotton and enter their names in column D of form Cotton 516, or in a space for that purpose on the gin ticket. If there is only one producer on the farm, or if the cotton was grown by the operator and no producer other than the operator is entitled to a share in the cotton, the word "Same" should be entered in column D of form Cotton 516 or on the gin ticket. If the cotton was sold in the seed and not ginned in the name of the producer, the names of the producers other than the operator will appear only on form Cotton 526.

4. County and State in which farm is located. The ginner must enter in column E of form Cotton 516, or in a space for that purpose on the gin ticket, the name of the county and of the State in which the farm on which the cotton was produced is located. If the cotton is sold in the seed and not ginned in the name of the producer, the name of the county and State will appear only on form Cotton 526.

5. Gin bale number or mark. The bale number or mark of each bale of cotton must be shown in column F of form Cotton 516. Bale numbers should be listed on form Cotton 516 in numerical order. If gin tickets are used to report ginnings to the county committee and the bale number is different from the serial number of the ticket, the gin bale number or mark must be shown on the ticket.

6. Weight of the cotton. In each case the gross weight of the bale, including bagging and ties, must be entered in column H of form Cotton 516, or in a space for that purpose on the gin ticket. If the cotton ginned is not baled, the net weight of the loose lint cotton must be shown. If the cotton was produced on more than one farm, or if more than one producer other than the landlord and operator have an interest in the cotton, the amount of cotton for each farm and the amount of cotton for each producer must be shown separately.

7. Execution of the record and report where cotton is produced on a single farm. Where cotton is produced on a single farm and only one producer, other than the operator and landlord, has a share in the cotton, the information required for each bale of cotton, as indicated above, shall be entered on a separate line of form Cotton 516. For the manner in which a gin ticket may be executed in this event, see figure 1. Where cotton is produced on a single farm but more than one producer, other than the operator or landlord, has a share in the cotton, the share of each producer other than the landlord or operator shall be entered on separate consecutive lines of form Cotton 516, or in separate spaces on the gin ticket. The execution of form Cotton 516 in this respect is illustrated in paragraph E of the instructions printed on the reverse side of form Cotton 516.

8. Execution of the record and report where cotton is produced by one or more producers on two or more farms. Where cotton is produced on two or more farms by a single producer, the information required for each farm and the amount of cotton in the bale produced on each farm shall be shown on form Cotton 516 on separate consecutive lines. Where cotton is produced on two or more farms by two or more producers, the information required to be shown for each farm and for each producer, as indicated above, shall be entered on separate consecutive lines of form Cotton 516. An illustration of this will be found in paragraph F of the instructions printed on the reverse side of form Cotton 516. If gin tickets are used in lieu of form Cotton 516, it may be necessary for the ginner to execute two or more tickets for a bale containing cotton produced on two or more farms, in order that the amount of cotton produced on each farm may be shown.

Sec. 807 Ginner's certification and designation of the report on forms Cotton 516 or 516-A. In the spaces provided, the gin owner or his agent shall certify, in accordance with the instructions on the reverse side of forms Cotton 516 and 516-A, that the report is true and complete and that such report includes only the kind of ginning designated on the report.

Sec. 808 Handling of reports in connection with seed cotton. Any person who buys seed cotton, or who receives seed cotton by barter or exchange from the producer of the cotton, shall execute the "Report of Seed Cotton," form Cotton 526, as provided in section 824 of this summary. The ginner may, however, report the purchase or receipt of seed cotton for any purpose or the ginning of the seed cotton by executing and submitting, in lieu of forms Cotton 516 and 526, a copy of a gin ticket, provided the ticket has been approved for such use by the Agricultural Adjustment Administration. The report on form Cotton 526 or the gin ticket in each case shall be transmitted to the treasurer of the county committee by the ginner who gins the seed cotton or who receives it for any other purpose. Any person other than the producer of the seed cotton who delivers it to the ginner for ginning or for any other purpose must file with the ginner the original and copy of a properly executed form Cotton 526 covering the seed cotton. When the ginner acquires seed cotton from the producer by sale, barter, or exchange, the ginner must execute form Cotton 526 or a gin ticket (see figure 3) covering the seed cotton as the buyer or transferee. When the ginner takes a certain amount of the cotton ginned by or for the producer in payment of the ginning charges (commonly called "toll cotton"), the ginner is the buyer of such seed cotton and must include each amount of it in his report on form Cotton 526 or on a gin ticket.

The ginner shall include all forms Cotton 526 received during a semi-monthly period, or prepared by him for seed cotton which he acquired from the producer, in his ginner's report for that period, regardless of whether the cotton was actually ginned during the period. The original of each form Cotton 526 shall be submitted to the treasurer of the county committee not later than 5 days following the last day of the period.

Sec. 809 Preparation of the report for cotton ginned for persons other than producers. Any cotton ginned for a person other than the producer of the cotton shall be reported separately by the ginner on form Cotton 516 or on copies of the gin tickets and form Cotton 516-A. This report will include all cotton which is ginned from the seed cotton required to be reported on form Cotton 526 or on gin tickets. The execution of the report on form Cotton 516 is illustrated in paragraph G of the instructions printed on the reverse side of form Cotton 516 and the execution of the report on a gin ticket is explained in paragraph F of the instructions printed on the reverse side of form Cotton 516-A (see figure 2). It is to be particularly noted that no entries appear on form Cotton 516 in such cases in columns A, D, and E and, further, that the name of the person who acquired the cotton from the producer is recorded instead of the name of the producer of the cotton. The name of the producer and the identity of the farm will be shown only on form Cotton 526.

Sec. 810 Postage expense for mailing the ginner's report. If the ginner desires to be reimbursed for the expense he incurs in mailing his reports to the treasurer of the county committee, the ginner should arrange with the treasurer of the county committee at the beginning of the ginning season the time and manner in which he is to be reimbursed for the postage expense.

THIS SPACE FOR RECORDS
REQUIRED BY GINNER

: BALE NO. 127 TICKET NO. (PRINTED)
:
: DOE GIN COMPANY
: Smithville, S. C.
: DATE Aug. 29, 1941
:
: FARM SERIAL NO. 1102
:
: OPERATOR John Brown
:
: PRODUCER Richard Jones
:
: KIND OF BAGGING USED Cotton
: (GROSS 514 LBS.
: WEIGHT OF BALE (NET LBS.
: COUNTY Laurens STATE S. C.
: (IN WHICH COTTON WAS PRODUCED)
: LBS. LBS.
: SEED COTTON BOUGHT LINT WT. EST.
: MARKETING CARD NO. _____

Figure 1.- Gin ticket for cotton ginned for a producer.

THIS SPACE FOR RECORDS
REQUIRED BY GINNER

: BALE NO. 127 TICKET NO. (PRINTED)
:
: DOE GIN COMPANY
: Smithville, S. C.
: DATE Aug. 29, 1941
:
: FARM SERIAL NO. Buyer
:
: OPERATOR Lixie Cotton Co.
:
: PRODUCER _____
:
: KIND OF BAGGING USED Cotton
: (GROSS 494 LBS.
: WEIGHT OF BALE (NET LBS.
: COUNTY _____ STATE _____
: (IN WHICH COTTON WAS PRODUCED)
: LBS. LBS.
: SEED COTTON BOUGHT LINT WT. EST.
: MARKETING CARD NO. _____

Figure 2.- Gin ticket for cotton ginned for a person other than a producer.

	:	BALE NO. _____	TICKET NO. (PRINTED) _____
	:	DOE GIN COMPANY	
	:	Smithville, S. C.	
	:	DATE Aug. 29, 1941	
	:	FARM SERIAL NO. 782	_____
THIS SPACE FOR RECORDS	:	OPERATOR	John Smith
REQUIRED BY GINNER	:	PRODUCER	Same
	:	KIND OF BAGGING USED _____	
	:	WEIGHT OF BALE (GROSS	LBS.
	:	(NET	LBS.
	:	COUNTY Burke	STATE Georgia
	:	(IN WHICH COTTON WAS PRODUCED)	
	:	1527	LBS. 509
	:	SEED COTTON BOUGHT	LINT WT. EST.
	:	MARKETING CARD NO.	88164

Figure 3.- Gin ticket for cotton marketed by a producer to a ginner.

B. RECORDS TO BE KEPT AND REPORTS TO BE SUBMITTED BY BUYERS.

Sec. 811 Applicability of the regulations. The records and reports of buyers are required in connection with all cotton marketed which was produced in the calendar year 1941, whether it is purchased prior to or on or subsequent to August 1, 1941, and to all cotton from a previous crop marketed during the marketing year. The term "buyer", as used in the regulations, includes all persons who purchase cotton from producers and all persons, with the exception of a transferee, who acquire title to cotton from producers. A transferee is a person who receives cotton from a producer by barter or exchange or gift inter vivos. Where the title to cotton is transferred by a producer to another person in return for cotton or other commodities, services, or property, and the value of the cotton or such other commodities, services, or property is not considered in terms of money, the transaction is a barter or exchange. Likewise there is a barter or exchange where the title to cotton is transferred by a producer to another in payment of a fixed rental or other charge for land. The meaning of the terms, as used, is seen in the following illustrations: A person who pays cash for cotton is a buyer, and a merchant who trades merchandise of the value of \$65 for a bale of cotton is a buyer. The regulations are applicable only to the first buyer who acquires title to cotton from the producer and do

not apply to transactions in which a person acquires title to cotton from the first or any subsequent buyer or transferee. The records and reports required of a buyer are separate from and cannot be substituted for those required of him in his capacity as either a ginner or a producer.

Sec. 812 Duties and responsibilities of a buyer. The Act imposes upon the buyer the duty and responsibility of collecting the penalty incurred by a producer in marketing cotton in excess of the farm marketing quota. It is the duty of the buyer to require the producer to identify by a marketing card or certificate the cotton marketed by him in a manner which will permit the buyer to determine whether a penalty is or is not incurred by the producer with respect to the transaction. The buyer is also required to keep records and make reports which are necessary to determine the amounts of cotton marketed by the various producers and the amounts of the penalties incurred.

Sec. 813 Identifying cotton subject to and not subject to penalty. It must be determined by an examination of the producer's marketing card whether the cotton is to be marketed subject to or not subject to the penalty. The types of marketing cards with which cotton will be identified are as follows:

1. White marketing card. When this card (form Cotton 511) is used to identify cotton produced on the farm in connection with which it was issued, no penalty is required to be collected by the buyer, since the cotton is either marketed not subject to penalty or is cotton with respect to which the penalty, if any, will be paid later by the producer.

2. Red marketing card. When this card is used to identify cotton, the cotton is not subject to penalty if the amount marketed in the particular transaction, plus the amount previously marketed, is not in excess of the number of pounds shown on the red marketing card (form Cotton 512). The cotton identified by a red marketing card is subject to penalty to the extent that the amount marketed in the particular transaction, plus the amount previously marketed, is in excess of the number of pounds shown on the marketing card as the marketing quota.

Sec. 814 Rate of the penalty. Cotton marketed during the 1941-1942 marketing year in excess of the farm marketing quota or marketed without identification (see section 821 of this summary) is subject to a penalty of 7 cents per pound.

Sec. 815 Collection of the penalty. The penalty is due at the time cotton is marketed and is to be collected at that time by the buyer. The penalty may be collected by the buyer by receiving the amount from the producer or by deducting from the purchase price of the cotton the amount of the penalty. Cotton is marketed by sale when either title to or actual or constructive possession of the cotton is delivered by or on behalf of the producer or any part of the purchase price is paid.

Sec. 816 Time of remitting penalties. The penalty incurred by the producer must be remitted by the buyer to the treasurer of the county committee for the county in which the cotton was produced not later than 15 calendar days next succeeding the day on which the cotton was marketed. However, the penalty may be remitted sooner. The address of the treasurer of the county committee will be shown on the postal card copy of form Cotton 513.

Sec. 817 Form of remittance. The penalty shall be remitted only in legal tender or by check, draft, or money order. The check, draft, or money order must be drawn payable to the order of the Treasurer of the United States but is to be delivered to the treasurer of the county committee. A remittance in cash or by check, draft, or money order may cover the penalty incurred in a single transaction or it may cover the penalties incurred in several transactions in which the buyer has purchased cotton. The treasurer of the county committee will issue a receipt on form Cotton 419 to the buyer for the penalties remitted.

Sec. 818 Penalty for buyer failing to keep a record or make a report or keeping a false record or making a false report. The Act makes the buyer's failure to keep records or to submit reports as hereinafter described, or the keeping of a false record or the submission of a false report, a misdemeanor punishable, upon conviction, by a fine of not more than \$500 for each offense. However, this is expressly declared to be in addition to, and not exclusive of, any remedies or penalties under existing law.

Sec. 819 Procedure to be followed by buyers where cotton is identified by a white marketing card. Where cotton is marketed directly to and in the presence of the buyer, the buyer is not required to make any report to the treasurer of the county committee in connection with cotton identified by a white marketing card, except in cases where the buyer is requested to make a report on form Cotton 520 (see section 826 of this summary) or where cotton is purchased in the seed, in which latter event a report on form Cotton 526 is required (see section 824 of this summary). The buyer must satisfy himself that the person who is selling the cotton is the producer named on the white marketing card and who countersigned it or is his agent and has been designated as such in Part II of the white marketing card. If the person selling the cotton is not the producer named on the white marketing card, or his agent, the buyer should decline to purchase the cotton without a further investigation, since to do so would make the buyer a party to the improper use of the marketing card. If, however, he does purchase the cotton, it shall be taken as subject to the penalty and a penalty on the entire amount should be collected and the transaction reported to the treasurer of the county committee on form Cotton 530 (see section 821 of this summary).

If a producer was issued a white marketing card and markets his cotton by telephone, telegraph, or mail, or by any means or method other than directly to and in the presence of the buyer.

the producer will identify the cotton by delivering to the buyer a certificate properly executed on form Cotton 411-A, as evidence of the fact that the producer was issued a white marketing card. The producer will retain the second copy of form Cotton 411-A and forward the original and the triplicate copy (form Cotton 411-A-b) to the buyer. The original of form Cotton 411-A will be retained by the buyer. The buyer must execute Part III and forward the triplicate copy to the treasurer of the county committee. The triplicate copy is prepared in the form of a business reply card and can be mailed by the buyer to the treasurer of the county committee, whose address appears thereon, without payment of postage. The instructions for the execution of form Cotton 411-A, which are printed on the cover of the book containing the forms, are as follows:

INSTRUCTIONS PERTAINING TO FORM COTTON 411-A
(For further instructions, see regulations of
the Secretary of Agriculture pertaining to
cotton marketing quotas for the marketing
year shown on forms Cotton 411-A)

1. Distribute copies as follows:

- (a) Original (form Cotton 411-A) - to the buyer
or transferee to whom the cotton is marketed.
- (b) Duplicate (form Cotton 411-A-a) - retain in
the book.
- (c) Triplicate (form Cotton 411-A-b, postal card) -
 - (i) The producer shall forward form Cotton
411-A-b to the buyer or transferee with
form Cotton 411-A.
 - (ii) The buyer or transferee shall
forward form Cotton 411-A-b to
the treasurer of the county agri-
cultural conservation committee
by depositing it in the United
States mails not later than fif-
teen calendar days next succeed-
ing the day on which the cotton
was marketed.

2. The county committee shall enter on each form Cotton 411-A
the following:

- (a) The State and county code and farm serial
number.

- (b) The serial number of the white marketing card issued to the producer.
- (c) The name and address of the producer to whom form Cotton 411-A is issued.
- (d) On the reverse side of form Cotton 411-A-b the address of the treasurer of the county agricultural conservation committee.
- (e) The designation of the marketing year.

3. The producer shall execute Part II as follows:

- (a) Enter the net weight of lint cotton marketed in the particular transaction. Net weight of lint cotton is determined as follows: Deduct from the gross weight of the bale for bagging and ties:
 - (1) 21 pounds if jute bagging was used,
 - (2) 14 pounds if cotton bagging was used,
 - (3) 20 pounds if sugar bagging was used,
 - (4) 3 pounds in the case of a round bale, or
 - (5) In case cotton is sold in the seed, estimate the amount of lint in seed cotton.
- (b) Enter the date on which the cotton was marketed.
- (c) Enter the name and full mail address of the buyer or transferee.
- (d) Certify to the correctness of the information by signing his name and entering the date of his signature and the place of execution.

4. The buyer or transferee shall execute Part III as follows:

- (a) Examine the information in Parts I and II to determine whether the certificate was executed properly by the county committee and the producer and correctly states the facts in regard to the cotton marketed by the producer.
- (b) Certify to the correctness of the information by signing his name and entering the date of his signature and the place of execution.

Sec. 820 Procedure to be followed by a buyer where cotton is identified by a red marketing card. Each red marketing card (form Cotton 512) is printed as a part of a book of ten sets of forms Cotton 513. Whenever

cotton is identified by a red marketing card the buyer and the producer or his designated agent are required to make a record of the transaction and the buyer is required to submit a report of the transaction to the treasurer of the county committee.

The record and report is required to be made on form Cotton 513, which will be executed in triplicate. The report on form Cotton 513 is the only report required of the buyer where the cotton is identified by a red marketing card except in cases where the buyer is requested to make a report on form Cotton 520 (see section 826 of this summary) or where the cotton is purchased in the seed, in which latter event a report on form Cotton 526 (see section 824 of this summary) is required in addition to the report on form Cotton 513.

The instructions for the execution of form Cotton 513, which are printed on the covers of the book containing the forms, are as follows:

INSTRUCTIONS PERTAINING TO FORM COTTON 513
(For further instructions, see Cotton 507,
"Regulations Pertaining to Cotton Marketing
Quotas for the 1941-42 Marketing Year.")

I. General instructions.

1. Distribute copies as follows:

- (a) Original (Cotton 513) - To the buyer or transferee.
- (b) Duplicate (Cotton 513-a) - Retain in the book.
- (c) Triplicate (Postal card - Cotton 513-b) -
 - (1) Marketing by sale - The buyer shall mail or deliver Cotton 513-b to the treasurer of the county committee.
 - (2) Marketing by barter or exchange - The producer shall mail or deliver Cotton 513-b to the treasurer of the county committee, if the penalty was not collected or deducted by the transferee. If the transferee collects or deducts the penalty, he shall mail or deliver Cotton 513-b to such treasurer.

2. The county office shall enter:

- (a) The State and county code and farm serial number on each Cotton 513.

- (b) The name and address of the producer in item 1 of each Cotton 513.
- (c) The amount of the farm marketing quota or producer marketing quota in item 2 of the first Cotton 513.
- (d) On the reverse side of each Cotton 513-b the address of the treasurer of the county committee.

II. Marketing by telephone, telegraph, or letter or by other similar means or method.

Form Cotton 513 shall be executed in triplicate as outlined in Part III hereof, except that: (1) Marketing by sale: The producer shall execute items 1 through 10 and send Cotton 513 and Cotton 513-b to the buyer, who shall then execute item 11 and mail or deliver Cotton 513-b to the treasurer of the county committee. (2) Marketing by barter or exchange: The producer shall execute items 1 through 10 and (i) send Cotton 513 to the transferee, if the penalty is not to be collected or deducted by him, and mail or deliver Cotton 513-b to such treasurer, or (ii) send Cotton 513 and Cotton 513-b to the transferee, if the penalty is to be collected or deducted by the transferee, who shall execute item 11 and mail or deliver Cotton 513-b to such treasurer.

:	:
:	:
:	<u>Note to Producer. Do not include on Cotton 513</u>
:	:
:	<u>cotton produced in 1941 on any farm other than the one</u>
:	:
:	<u>for which it was issued.</u>
:	:

:	:
:	:
:	<u>Important Notice: Cotton 513-b shall be mailed</u>
:	:
:	or delivered to the treasurer of the county committee
:	:
:	not later than 15 calendar days next succeeding the
:	:
:	day on which the cotton was marketed.
:	:

III. Marketing directly to and in presence of buyer or transferee.

1. The producer and buyer or transferee shall enter-

- (a) In item 2 the amount, if any, of the unused portion of the marketing quota from item 4 of the preceding copy of Cotton 513-a. (Verify by subtracting the sum of all previous entries in item 3 from the marketing quota shown on Cotton 512.) Make no entry if there is no unused portion of the marketing quota.
- (b) In item 3 the net weight of lint cotton marketed in the particular transaction, obtained by deducting from the gross weight of each bale the weight of the bagging and ties. If cotton is sold in the seed, enter the estimated or known amount of lint cotton.
- (c) In item 4 the amount by which the entry in item 2 exceeds the entry in item 3. If the entry in item 3 is equal to or in excess of the entry in item 2, make no entry in item 4.
- (d) In item 5 the amount by which the entry in item 3 exceeds the entry in item 2. If the entry in item 3 is equal to or less than the entry in item 2, make no entry in item 5.
- (e) In item 6 the result obtained by multiplying 7 cents by the amount, if any, in item 5. Make no entry in item 6 if no entry is required in item 5.
- (f) In item 7 the gin bale number or mark of each bale of cotton marketed in the particular transaction, or where cotton was sold in the seed, the number of pounds of seed cotton followed by the words "pounds of seed cotton".
- (g) In item 8 the date the cotton is marketed.
- (h) In item 9 the name of each producer having an interest in the cotton marketed and the amount of his share expressed in pounds of net lint cotton. If only one producer has

an interest, his name and the amount of cotton marketed shall be entered. If more than three producers share therein, enter in item 9 the words "See attached sheet" and attach a list to Cotton 513-b showing the information required in item 9.

2. The buyer or transferee shall enter his name and address in item 10. The producer shall execute item 10 and enter therein the date of his signature and the place of execution.
3. The buyer or transferee shall execute item 11 and state in the blank space the fact that the penalty "was" or "was not" collected or deducted and enter the date of his signature and the place of execution.

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If cotton is marketed by telephone, telegraph, or mail, or by any means or method other than directly to and in the presence of the buyer, the producer to whom a red marketing card was issued will identify the cotton by delivering to the buyer the original and the triplicate copy of form Cotton 513 which has been completely executed by the producer with the exception of item 11.

Form Cotton 513-a, when executed by the buyer, will constitute a receipt from the buyer to the producer for the penalty collected. If, however, the cotton is not marketed directly to and in the presence of the buyer, the buyer will not be in a position to execute form Cotton 513-a, which is retained by the producer, and a separate receipt must be furnished by the buyer to the producer for the penalty collected.

Form Cotton 513-b (the postal card copy) should be deposited in the mail by the buyer at the earliest opportunity, but in no event later than 15 days after the date on which the cotton was purchased. If a penalty was collected with respect to the transaction, it must also be forwarded or delivered to the treasurer of the county committee within 15 days and the buyer should mail or deliver the form Cotton 513-b, together with the penalty, to the treasurer of the county committee (whose address appears on the address side of the postal card). No postage is required to be paid by the buyer with respect to the mailing of form Cotton 513-b, since it is a business reply card and the postage will be paid by the treasurer of the county committee.

There are 10 sets of forms Cotton 513 in each book, and the buyer should ascertain in each case that all of the sets are accounted for, either as executed or unexecuted. Form Cotton 513-a (the yellow copy) should be in the book for each executed set. The yellow

copies, plus the unexecuted sets, should account for the total number of sets in the book. If any sets of form Cotton 513 are missing, the buyer should decline to purchase the cotton without a further investigation, since the red marketing card cannot properly identify the cotton unless all sets of form Cotton 513 in the book can be accounted for.

The buyer must satisfy himself that the producer named on the red marketing card and who countersigned it is the producer selling the cotton. A person other than the producer named on the red marketing card may use it in identifying cotton with respect to which it was issued if, and only if, the person has been designated in Part II of the red marketing card by the producer as his agent. If the person selling the cotton is not the producer named in the red marketing card, or his agent, the buyer should decline to purchase the cotton, since to do so without a further investigation would make the buyer a party to the improper use of the marketing card.

The sum of the entries in item 3 of all forms Cotton 513-a in the book accompanying the red marketing card represents the total number of pounds of cotton marketed by the producer by use of the red marketing card. If there is any unused portion of the marketing quotas, the balance will appear in item 4 of the form Cotton 513-a last executed. This balance should be verified by subtracting the sum of the entries in item 3 of all executed forms Cotton 513-a from the marketing quota shown on the red marketing card. In the event that the farm or producer marketing quota has been increased and the amount of such increase appears in section (b) of Part I of form Cotton 512 (red marketing card) the balance of the marketing quota will be the amount by which the original and additional marketing quota shown on the red marketing card exceeds the sum of the entries in item 3 of all forms Cotton 513-a.

Sec. 821 Procedure to be followed by a buyer where cotton is not identified by a marketing card. The buyer of cotton which is not identified by a white marketing card (form Cotton 511), a certificate that a white marketing card was issued (form Cotton 411-A), or a red marketing card (form Cotton 512), or by the certificates for long staple cotton referred to in section 822 of this summary, shall take the entire amount of the cotton as subject to the penalty and shall make a report on form Cotton 530 with respect to each such transaction. In no case should the buyer accept the statement of the producer or of any other person that the producer has a marketing card of a particular description or that the cotton is marketed not subject to the penalty. Form Cotton 530 shall be executed and distributed in accordance with the instructions printed on the cover of the book containing the forms.

Sec. 822 Long staple cotton. If long staple cotton is identified to the buyer by a white marketing card at the time it is purchased, the buyer is not required to make any report of the transaction to the county committee, unless specifically requested to do so by the

county committee, as explained in section 826 of this summary. However, he must keep a record, as explained in section 826 of this summary, of each bale, or lot of cotton if less than a bale, purchased.

If the cotton is identified by Form 1 or Form A executed by the Board of Cotton Examiners, as cotton the staple of which is 1-1/2 inches or more in length, the buyer shall take such cotton as cotton not subject to the penalty and the producer is not required to identify the cotton with a marketing card. The buyer and producer shall make a report in connection with this type of transaction by executing a form Cotton 521 in triplicate, the original of which is to be delivered to the producer, a copy to be retained by the buyer, and the business reply postal card to be mailed or delivered to the treasurer of the county committee for the county in which the cotton was produced.

If the staple of the cotton is shown on Form 1 or Form A as being less than 1-1/2 inches in length, the purchase of such cotton shall be reported by the buyer on form Cotton 513 (see section 820 of this summary).

If the long staple cotton is not identified by a Form 1 or Form A, the purchase of the cotton shall be reported by the buyer on form Cotton 513 unless the producer has been issued a form Cotton 527 by the county committee and presents such form to the buyer as evidence of the fact that the cotton was produced from a pure strain of Sea Island or American-Egyptian seed. When a form Cotton 527 issued by the county committee is presented by the producer with respect to long staple cotton which is to be marketed, the buyer may purchase the cotton as not being subject to the penalty upon the producer certifying in Part III of the form that the cotton was or will be ginned on machinery designed specifically for the ginning of long staple cotton. The buyer shall complete the execution of the form by entering his signature and the required information in the spaces provided. The original shall be delivered to the producer, the copy shall be retained by the buyer, and the postal card copy (form Cotton 527 b) shall be deposited in the United States mails or delivered to the treasurer of the county committee.

Any long staple cotton not identified by any of the certificates or marketing cards referred to above shall be reported by the buyer on form Cotton 530 (see section 821 of this summary).

Sec. 823 Cotton produced by experimental stations. The buyer of cotton which is identified when marketed by a marketing certificate issued by the State Agricultural Conservation Committee to a publicly owned agricultural experiment station with respect to cotton grown solely for experimental purposes is not required to make a report in connection with the transaction, unless specifically requested to do so by the county committee, but must keep a record of the purchase (see section 825 of this summary).

Sec. 824 Procedure to be followed where seed cotton is acquired by sale, barter, or exchange. Form Cotton 526 is the report required of the buyer or transferee in each case where he acquires seed cotton from a producer. This is true whether the buyer or transferee is also the ginner of the cotton or whether he is some other person except that the ginner may use an approved gin ticket in lieu of form Cotton 526. Form Cotton 526 must be executed for all cotton acquired in the seed whether the producer thereof was issued a white or a red marketing card or no marketing card. If the cotton was identified by a red marketing card, the buyer or transferee shall also make a report on form Cotton 513, in the regular manner, to the treasurer of the county committee and collect and remit the penalty, if any, as in other cases. The execution and distribution of form Cotton 526 is fully explained in instructions printed on the reverse side thereof.

If a ginner acquires seed cotton for any purpose from a person other than the producer of such cotton, that is, from a buyer or transferee, and such person fails to deliver to the ginner a form Cotton 526, required to be executed at the time the seed cotton was acquired by such person, the ginner with the assistance of the buyer or transferee shall execute a Form Cotton 526 and submit the original to the treasurer of the county committee.

Sec. 825 Buyer's record of cotton purchased. The regulations require that each buyer shall keep, as a part of or in addition to the records maintained by him in the conduct of his business, a record of each bale, or lot of cotton if less than a bale, which is purchased by him from the producer thereof. As a general rule, the records ordinarily kept by the buyer will contain all of the information required, with the possible exception of the serial number of the marketing card. It is intended and preferred that a buyer make no change in his regular record-keeping system other than may be necessary to record some information which he previously did not enter on his accounts, ledgers, or other records. If any buyer believes that it would be better to keep a separate record of the required information, copies of form Cotton 520 may be obtained without cost for this purpose from the county committee. The records of the buyer must contain the following information: (1) The name and address of the producer from whom the cotton was purchased; (2) the date on which the cotton was purchased; (3) the original gin bale number, or gin bale mark or other information showing the origin or source of the cotton, and, in the case of cotton purchased in the seed, the number of pounds of seed cotton and the known or estimated amount of lint in such cotton; (4) the number of pounds of lint cotton in each bale, or lot of cotton if less than a bale, purchased from the producer; (5) the amount of penalty required to be collected; (6) the amount of any penalty collected or remitted in connection with the cotton purchased from the producer; and (7) the serial number of the marketing card or certificate by which the cotton was identified when marketed. This record of the transactions made during the buying season, whether made on form Cotton 520 or on the books regularly

maintained by the buyer, must be kept available for examination and inspection by the Secretary of Agriculture, or by any authorized representative of the Secretary of Agriculture, for a period of not less than two calendar years beyond the calendar year in which the marketing year ends, that is until December 31, 1944. This record must be kept available in order that the correctness of any report made or record kept pursuant to the regulations may be ascertained, or in order that the information required to be furnished in any report, but not so furnished, may be obtained.

Sec. 826 Buyer's special report. The buyer's special report is form Cotton 520. This report is to be made only after the State committee or county committee has requested the buyer to do so. When the buyer is requested to make the special report on form Cotton 520, the report must cover all cotton previously purchased by the buyer during the marketing year. Form Cotton 520 will be requested if the State committee or the county committee has reason to believe that a buyer failed or refused to collect or remit the penalty required to be collected by him on any cotton which he purchased, or otherwise in any manner failed or refused to comply with the regulations. The information required to be shown in this report with respect to each bale, or lot of cotton if less than a bale, is the same as that outlined in section 825 of this summary.

C. RECORDS TO BE KEPT AND REPORTS TO BE SUBMITTED
BY TRANSFEREES

Sec. 827 Duties and responsibilities of transferees. Each transferee (see section 811 of this summary) who acquires cotton from the producer thereof must keep the same records and make the same reports which are required to be kept and made by buyers, with the exception of the buyer's special report (see section 826 of this summary), in every case in which the penalty is collected by the transferee, or in which any cotton in the seed is acquired, and in every other case the transferee must execute the applicable certificates which are necessary to enable the producer to keep the records and make the reports required of him.

D. RECORDS OF WAREHOUSEMEN AND OTHERS

Sec. 828 Availability of records of warehousemen and others. The regulations require each warehouseman, processor, compressor, common carrier, or other person, as defined in section 373(a) of the Act, who buys, stores, compresses, transports as a common carrier, or otherwise deals with cotton from, for, or on behalf of the producer of the cotton, to make his records with respect to such cotton available to the Secretary of Agriculture or to his authorized representatives upon request. The records concerning the cotton are to be made available in order that the correctness of any record kept or report made pursuant to the regulations may be ascertained, or in order that the information required to be furnished, but not furnished, may be obtained.

